



# ARIZONA STATE RETIREMENT SYSTEM

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*Paul Matson  
Director*

## MINUTES PUBLIC MEETING ARIZONA STATE RETIREMENT SYSTEM BOARD

**Tuesday, May 10, 2011  
1:00 p.m., Arizona Time**

The Arizona State Retirement System (ASRS) Board met in the 14<sup>th</sup> Floor Conference Room, 3300 N. Central Avenue, Phoenix, Arizona. Mr. David Byers, Chair of the ASRS Board, called the meeting to order at 1:00 p.m., Arizona Time.

The meeting was teleconferenced to the ASRS office at 7660 E. Broadway, Tucson, Arizona 85710.

### **1. Call to Order; Roll Call; Opening Remarks**

Present: Mr. David Byers, Chair  
Mr. Tom Connelly, Vice-chair (via teleconference)  
Mr. Chris Harris  
Professor Dennis Hoffman  
Mr. Tom Manos  
Mr. Kevin McCarthy  
Mr. Larry Trachtenberg (via teleconference)  
Mr. Steve Zeman

Absent: Mr. Michael Townsend

A quorum was present for the purpose of conducting business.

Mr. Chris Harris arrived at 1:01 p.m.

### **2. Presentation, Discussion and Appropriate Action Regarding Administrative Decisions and Legal Advice on SB1614, SB1609, and HB2024**

Mr. David Byers, Chair, suggested the need for the Board to obtain legal advice regarding recent legislation.

**Motion:** Mr. Steve Zeman moved to go into executive session for the purpose of obtaining legal advice regarding recent legislation. Mr. Kevin McCarthy seconded the motion.

By a vote of 8 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved.

The Board recessed from the regular meeting at 1:02 p.m., to convene to executive session.

The Board convened to executive session at 1:03 p.m.

The Board returned to the regular meeting at 1:43 p.m.

Mr. Byers asked how the ASRS would implement the new legislation. Mr. Paul Matson, Director, said Employers will determine the contribution rate split and the ASRS will accept what Employers submit. The ASRS will perform random audits to ensure employers and employees have paid the appropriate contribution rate.

### **3. Presentation, Discussion and Appropriate Action Regarding Future Contribution Rates**

Mr. Matson addressed the Board regarding fiscal year 2012 contribution rates. Historically the ASRS contribution rate has been shared equally between the employer and the employee. Recent legislation changed from the historic equal share between employee and employer to a 53/47 percent share respectively beginning July 20, 2011, retroactive to July 1, 2011.

Mr. Matson presented the proposed pension rates to be effective upon the effective date of Laws 2001, Ch. 26, § 2 & 3; and the proposed Long Term Disability rates to be effective upon the effective date of Laws 2001, Ch. 26 § 4 & 5. The rates are listed on the following table.

<b>Proposed Fiscal Year 2012 Contribution Rates</b>		
	Employee	Employer
Pension – 401(a)	11.13%	9.24%
Health Benefit Supplement – 401(h)	0%	0.63%
Sub total	11.13%	9.87%
Long-Term Disability	0.26%	0.23%
Total	11.39%	10.10%

Mr. Matson explained the rationale used when aligning the pension, health benefit, and LTD rates to the new contribution rate split.

**Motion:** Mr. Chris Harris moved to accept the proposed Pension 401(a) contribution rates of 11.13 percent for employees and 9.24 percent for employers,

*and*

Accept the proposed Health Benefit Supplement 401(h) contribution rate of 0.63 percent for the employer,

*and*

Accept the proposed Long Term Disability rates of 0.26 percent for employees and 0.23 percent for employers. Mr. Steve Zeman seconded the motion.

Mr. David Byers stated the total Employee rate is 11.39%, the total Employer rate is 10.10%.

By a vote of 8 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved.

### **4. New Agenda Items**

No requests were made.

**5. Call to the Public**

No requests were made.

**6. The next regular ASRS Board meeting is scheduled for Friday, May 20, 2011, at 8:30 a.m., at 3300 N. Central Avenue, 10<sup>th</sup> Floor Board room, Phoenix, Arizona.**

**7. Adjournment of the ASRS Board**

Mr. Byers adjourned the Board meeting at 1:53 p.m.

ARIZONA STATE RETIREMENT SYSTEM

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Lisa Maddox  
Board Secretary

Date

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Paul Matson  
Director

Date